

WASHINGTON, DC - Congressman Steny H. Hoyer (MD) praised Senate passage today of statutory pay-as-you-go, or PAYGO, legislation as an important step in restoring fiscal responsibility and making sure government lives within its means. The Senate amendment was based on H.R. 2920, legislation introduced by Rep. Hoyer and [passed by the House in July 2009](#).

“I applaud the Senate for taking action on a key piece of our agenda to restore fiscal balance and bring down our nation's deficit,” **stated Rep. Hoyer.** “Passing the PAYGO principle into law is a needed step to ensure that this country pays for what it buys, so that we stop digging our fiscal hole deeper. I look forward to bringing this legislation to the House Floor for a vote next week.”

PAYGO was a key budget tool that helped turn deficits into record surpluses during the 1990s. The measure, however, was allowed to expire under the previous Administration, clearing the way for policies that wiped out those surpluses and handed President Obama a projected 10-year deficit of \$8 trillion when he entered office. Upon becoming House Majority Leader, Rep. Hoyer was instrumental in restoring PAYGO as a rule, which requires each bill that the House considers to be offset with savings within that bill. Statutory PAYGO would require both the House and Senate to uphold the principle and, upon being signed into law, would be permanently put in place.

“No one step will get us out of our fiscal hole. But the most important immediate step we can take is to commit ourselves to the principle that, in new policies, our country will pay for what it buys,” **stated Hoyer.** “That is the principle of pay-as-you-go, or PAYGO-and it is a proven tool for fighting debt.”

In his State of the Union Address, **President Obama** explained that while it was necessary to temporarily increase government spending to prevent a second Great Depression and restart the economy, the focus in the long-term must be to reduce the deficit and restore the nation's fiscal health. He said, “...families across the country are tightening their belts and making tough decisions. The federal government should do the same. So tonight, I'm proposing specific steps to pay for the \$1 trillion that it took to rescue the economy last year.”

In addition to PAYGO law, the President outlined a series of steps that he wants to work with Congress on, including the creation of a fiscal commission to provide specific solutions to rein in deficits, and a three-year freeze on government spending for non-defense programs and excluding Medicare, Medicaid and Social Security. The **President said of the need for fiscal responsibility** : "If we do not take meaningful steps to rein in our debt, it could damage our markets, increase the cost of borrowing, and jeopardize our recovery - all of which could have an even worse effect on our job growth and family incomes."

For more on Congressional efforts on PAYGO and fiscal responsibility, [CLICK HERE](#)

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